

Abstract

Recently, podcasting has been a rapidly growing industry utilizing technological and business innovation strategies, thereby revealing competition with Spotify surpassing Apple Podcasts in active users in four years of operation. This case study aims to, firstly, discover and compare both Spotify and Apple Podcasts' strategic and competitive advantages. Secondly, to analyze how their technological and business innovation models support market disruption. A desk research-based is conducted throughout the paper, utilizing secondary data. Based on the external and internal analysis, Spotify's competitive advantages are its user community, brand awareness, customer loyalty, exclusive rights to popular content, the ability to develop its technology to innovate faster and better, and its vertically integrated value chain. It plays with a cost-leadership strategy. Meanwhile, Apple Podcasts has a sustained competitive advantage of its organizational structure, brand recognition, customer loyalty, and technological, machine learning, and AI application skills. The big company applies a broad differentiation as the generic strategy. Furthermore, both incumbents utilize market penetration and development as a growth strategy.

Spotify applies sustaining innovation for a more seamless podcast experience, modifying its key resources, key partners, key activities and customer relationships. Apple moved from radical innovation in 2005 to sustaining innovation in building its own paid free-RSS environment. It created colossal transformation, mainly in key activities and revenue streams for its subscription programs. As recommendations, Spotify needs to increase its data security and keep the brand an affordable and seamless platform to reach more than 50% MAUs rapidly. Meanwhile, Apple should strengthen its marketing strategy and focus on improving the feature for listeners to gain more listeners willing to cope with their paywall. However, this research only focuses on Apple Podcasts and Spotify, whilst there are other new big potential competitors in the industry. Thus, future study could focus on video podcasting and utilizes primary data from real consumers to discover how the ongoing trend of future podcasting will be carried.